

Your ref:
Contact: MS S S MASONDO

Our file ref: 5/1/1-2019/20
In response to DMS No:
Date: 29 MARCH 2019

**MINUTES OF THE ONE HUNDRED AND SEVENTY NINTH ORDINARY MEETING OF
THE COUNCIL OF THE uMHLATHUZE MUNICIPALITY, HELD ON WEDNESDAY,
27 MARCH 2019 AT 15:00 IN THE COUNCIL CHAMBERS**

PRESENT: COUNCILLORS

S G Mkhize (Speaker)
M G Mhlongo (Mayor)
K D Sibiya (Deputy Mayor)
M Lourens (Chief Whip)
C M Botha
L G Cebekhulu
N R Cele
B J de Lange
T S Gumede
J M Hadebe
K S Hlabisa
L S Joseph
V N Khuzwayo
S L Magubane
N F Makhanya
P M Mathenjwa

M M Mbokazi
K N Mbonambi
K Mjadu
D E Mngomezulu
M R Mohlala
C N Mpanza
M S C Mpungose
B C Mthembu
S N Mthembu
O Z Mthembu
S Mzimela
K Naidoo
H N Ncanana
D J Ndimande
M Ndlovu
P M Ntanzu

D F Ntuli
C N Nyawo
E A Palmer
T M Phahla
T G Qulo
M Sookroo
I A Stone
N T Thusi
A Viljoen
T P Wanda
N T Zibani
R M Zikhali
G Zondi
S M Zulu
S G Zuma

PRESENT: TRADITIONAL LEADERS

Inkosi M M Mkhwanazi
Inkosi B Mthembu

LEAVE OF ABSENCE AND APOLOGIES

COUNCILLORS

J N Cele
S G Dlamini
L C M Fourie
R Khumalo
S B Mabaso
T B Mathe
P T Mbatha
C G Mkhulise-Khumalo

S P Mthembu
K N Mthethwa
K E Nkosi
N N Ngubane
S F Ntombela
D E Ntuli
S Simmadhri

NO APOLOGIES

COUNCILLORS

H P C de Wet
J Z Mabuyakhulu
S S Ntuli
L P Zondo
Z Z Xulu

TRADITIONAL LEADERS

Inkosi Z Zungu

13123

TABLED 2019/2020 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

RESOLVED THAT:

1. the Tabled Multi-year Medium Term Revenue and Expenditure Framework (MTREF) of the Municipality for the Financial Year 2019/20 and indicative for the projected outer years 2020/21 and 2021/22 be approved as set out in the Budget Report (DMS 1331829) and in the Budget tables A1 - A10 (Annexure B1 - B13) (DMS 1332015);
2. the Final Integrated Development Plan (IDP) Review for 2018/2019 (DMS 1277053) be incorporated into the Tabled 2019/20 Multi-year Medium Term Revenue and Expenditure Framework (MTREF);
3. the Tabled 2019/20 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals and the Municipal Regulation on Standard Chart of Accounts (mSCOA) (Government Gazette 37577 dated 22 April 2014) for the City of uMhlathuze be approved as follows:

Description R thousands	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Operating Revenue	2 990 431	3 208 768	3 442 773	3 654 227
Total Operating Expenditure	3 049 313	3 234 247	3 426 024	3 625 932
Surplus/ (Deficit) for the year	(58 882)	(25 479)	16 749	28 294
Total Capital Expenditure	586 328	597 533	597 872	604 957
TOTAL OPERATING & CAPITAL BUDGET	3 635 642	3 831 780	4 023 895	4 259 183

It be further noted that this Budget in as far as the Municipal's administration ability and financial system capability allowed, is Project based.

4. the following table setting out the surplus/(deficit) across the services be approved:



Description R thousand	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity and Energy Sources				
Surplus/(Deficit) for the year	185 458	218 168	263 134	301 540
Water Management				
Surplus/(Deficit) for the year	(2 224)	5 831	19 454	19 690
Waste water management				
Surplus/(Deficit) for the year	9 074	(11 866)	(9 213)	(5 023)
Waste management				
Surplus/(Deficit) for the year	(16 608)	(2 732)	1 443	3 718
Other Services				
Surplus/(Deficit) for the year	(234 583)	(234 879)	(258 070)	(291 629)
Total				
Surplus/(Deficit) for the year	(58 882)	(25 479)	16 749	28 294

5. the Tabled Service Delivery and Budget Implementation Plan (SDBIP) 2019/20 (DMS 1329433) as submitted be approved;
6. in terms of Section 2(3) of the Local Government: Municipal Property Rates Act the following property rates for the 2018/2019 financial year be approved:

Category	Proposed tariff (from 1 July 2019)	Ratio to Residential Tariff
	C	
Residential Properties	0,0103	1:1
Business / Commercial	0,0217	1:2,10
Industrial	0,0227	1:2,20
Agricultural Properties	0,0026	1:0,25
Public Service Purposes (State Owned)	0,0114	1:1,10
Public Service Infrastructure	0,0026	1:0,25
Public Benefit Organisation Properties	0,0026	1:0,25
Mining Properties	0,0239	1:2,30
Vacant Land	0,0217	1:2,10

7. on application by the relevant rate payers the following rebates be applied subject to the provisions contained in the Rates Policy:
 - Agricultural properties - 5%
 - Non Profit Organisations - 20%
8. the following in terms of the 2019/20 Property Rates Ratios be approved:

Vacant Land Category – Revised ratio 1: 2,10.



9. the Rates Policy as contained in **Annexure D1 (DMS 1323922)** be approved;
10. in addition to the statutory R15 000 reduction in the valuation on residential properties a further reduction of R115 000 of the valuation on all developed residential properties valued at R400 000 and below be made;
11. in addition to the reductions in recommendation (9) above and subject to the criteria set out in the Property Rates Policy an additional R200 000 reduction in the value of the primary residential property belonging to a pensioner or a social grantee be made;
12. in accordance with the implementation of the universal approach of the indigent policy improved residential property valued at R130 000 or less will be exempted from refuse and sewer charges. The following sliding scale will be applied for charges on improved residential properties higher than R130 000 on the following basis:
 - a) Properties valued between R130 001 and R170 000 will receive a rebate of 25% in respect of the sewer and refuse charges;
 - b) Properties valued at R170 001 and higher will pay the normal tariff;
13. the amendment of the Tariff of Charges as per Annexure C (**DMS 1324415**) be approved;
14. the Tariff Policy as per Annexure D2 (**DMS 1329870**) be approved;
15. any work function or tariff not accommodated in the Tariff of Charges be dealt with as cost plus 20%;
16. in addition to the free 50 units, the indigent customers to be granted additional 300 units that can be bought per month but be capped at 350 units each month;
17. the property rates and tariff adjustments as set out above be dealt in terms of Section 14 of the Local Government: Property Rates Act and Section 24 of the Municipal Finance Management Act 2003;
18. the contribution of R 218 million from Electricity Trading Service to Rates and General and other Trading Services referred to in the Electricity Tariff of Charges, as per Annexure C (**DMS 1324415**) as the Local Government Levy, **be noted**;
19. the profit on sale of all erven be allocated 100% to the Rates and General Capital Replacement Reserve account;
20. in terms of various policies the following increases in allowances are submitted to Council for approval:



	Approved 2018/19 Tariffs	Proposed Tariffs - 2019/20
	R	R
Standby - Travel allowance	101	104
Standby - Subsistence allowance	66	68
Subsistence allowances		
Daily allowance	143	147
Overnight allowance	191	197
Own accommodation	263	271
Interview candidates	69	71
Accommodation		
All employees	1 196	1 232
All councillors and Section 56 employees	2 005	2 065
Municipal Manager, Mayor/ Deputy Mayor, Speaker and Municipal Chief Whip	3 344	3 444
Ward committee members	1 344	1 384
Indigent Burial Assistance		
Adult	2 638	2 717
Child (1 day to 15 years)	2 005	2 065
Stillborn / foetus	1 372	1 413

21. should there be any unspent conditional grants received from the National Fiscus at year end, Council hereby requests that the Municipal Manager via letters to the respective transferring officers apply for a roll-over of funds received in **2018/19** financial year to the next financial year, namely the 2019/20 financial year;
22. Council approve the two cents per kilowatt hour tariff on **all business** consumers for the purposes of an Energy Saving Reserve. These reserves ***shall*** only be used strictly for energy saving initiatives as per Council Resolution number 10872 dated 25 May 2016 (**RPT 160350**), that are included in the approved Budget;
23. although Council has an approved Virement Policy, in terms of this 2019/20 MTREF Budget appropriation, no virements (transfers) will be allowed out of:
 - All Repairs and Maintenance Projects unless approval has been sort jointly between the Municipal Manager and the Chief Financial Officer;
 - Purchase of Bulk Electricity and Bulk Water Projects;
 - Operations and Maintenance Contracts provisions for Water and Sanitation services;
 - Other virements (transfers) from line items indicated as impermissible in terms of the approved virement policy;
24. Council resolution 12892 dated 5 December 2018, resolved that funding for the SEDA Construction Incubator Partnership be considered during the budget process, although the request for this programme amounted to R5.7 million, an amount of R1.5 million could only be provided; and



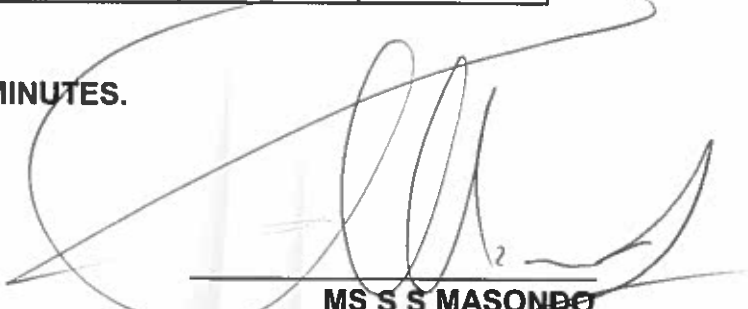
25. the following meetings are proposed that have been prepared by the Community Facilitation Section for the 2019/20 Budget Public Participation meetings:

CLUSTER	WARDS	AREA	VENUE	PROPOSED DATES	TIME
	Amakhosi	Amakhosi	R/Bay Civic Centre (Council Chambers)	04 April 2019 (Thursday)	11:00
1	Ward Committees	Ward Committees	Veldenvlei Community Hall	04 April 2019 (Thursday)	17:00
2, 3 & 5	1, 2, 3, 4, 5, 6, 7, 8 & 26	Richards Bay and Nseleni	Mzuvukile Sportsfield	7 April 2019 (Sunday)	13:00
12	Stakeholders	Stakeholders	R/Bay Civic Centre (Council Chambers)	11 April 2019 (Thursday)	17:00
4, 7, 8 & 9	10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 30 & 34	eSikhaleni and Vulindela	eSikhaleni TVET (College)	14 April 2019 (Sunday)	13:00
6, 10 & 11	9, 23, 24, 25, 27, 28, 29, 31, 32, 33	Empangeni, Ngwelezane and Ntambanana	Macekane Sportsfield	17 April 2019 (Wednesday)	10:00

CERTIFIED A TRUE EXTRACT FROM THE MINUTES.

Civic Centre
c/o Mark Strasse and Lira Link
CBD
Richards Bay

(1336442 - nz)


MS S S MASONDO
DEPUTY MUNICIPAL MANAGER:
CORPORATE SERVICES



ALL CORRESPONDENCE MUST BE ADDRESSED TO THE MUNICIPAL MANAGER